



**IOWA FINANCE AUTHORITY
BOARD MEETING MINUTES**

**Iowa Finance Authority
2015 Grand Avenue
Des Moines, Iowa**

August 8, 2007

BOARD MEMBERS PRESENT

Vince Lintz, Chair (via telephone)	Roger Caudron
Kay Anderson, Vice Chair	David Erickson
Steven Adams (via telephone)	Heather Kramer (via telephone)
Virginia Bordwell	Douglas Walter

STAFF MEMBERS PRESENT

Bret Mills, Executive Director	Julie Noland, Senior Technical Analyst
Mickey Carlson, Single-Family Programs Manager	Loyd Ogle, Director of Title Guaranty Division
Steven Harvey, Director of Operations	Carla Pope, Director of Affordable Rental Production
Craig Johnson, Underwriter	James Smith, Deputy Director/CFO
Joseph Jones, Director of Governmental Affairs	Mark Thompson, General Counsel
Shawna Lode, Communications Director	Dave Vaske, Tax Credit Manager
Susan Mock, Administrative Assistant	Nancy Wallis, Administrative Assistant
Sharon Murphy, Housing/Grants Specialist	

OTHERS PRESENT

Tracey Achenbach – Homeward, Inc.	Joni DeVries – Wells Fargo Bank Iowa, NA
Barb Bailey – Housing Fellowship, Iowa City	Dan Garrett – Iowa Equity Fund
Adam Bennett – Cardinal Capital	David Grossklaus – Dorsey & Whitney Law Firm
Kristi Boyce – Wells Fargo Bank Iowa, NA	Joe O’Hern – Fannie Mae
Bob Burns – Burns & Burns, L.C.	Kyle Rice – State Treasurer’s Office
Al Collet – Iowa Department of Economic Development	Jim Rieker – Midwest Housing Equity Group
Jim Conlin – Conlin Properties	Kristin Saddoris – Conlin Properties
Maryann Dennis – Housing Fellowship, Iowa City	

CALL TO ORDER

Vice Chair Anderson called to order the August 8, 2007, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:07 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Adams, Anderson, Bordwell, Caudron, Erickson, Kramer and Walter.

REVIEW AND APPROVAL OF MINUTES

July 11, 2007, Minutes

Vice Chair Anderson introduced the minutes of the July 11, 2007, meeting of the IFA Board of Directors.

MOTION: Mr. Walter made a motion to approve the minutes. On a second by Ms. Kramer, a vote was taken with the following results: YES - Adams, Anderson, Caudron, Erickson, Kramer, Lintz and Walter; NO - None; ABSTAIN - Bordwell, because she was not present at the July 7, 2007, Board meeting. On a majority vote, the Board approved the minutes of the July 11, 2007, Board meeting.

ADMINISTRATION / MANAGEMENT REPORT

Summary & Overview

Mr. Mills announced that the housing study was recently completed and should be printed by the end of August. He also reported that Chair Lintz has accepted the position of Deputy Director at Iowa Department of Economic Development and will be resigning from the IFA Board. Mr. Mills thanked Mr. Lintz for his contributions to IFA and for his leadership on the Board.

Mr. Mills introduced and welcomed Mr. Dave Vaske, IFA's Low-Income Housing Tax Credit Manager. He asked Mr. Vaske to tell about his background. Mr. Vaske said he has 20 years of banking experience and most recently worked as Director of Finance and Operations with a Catholic Parish in Fort Dodge.

LEGAL / REGULATORY

Rule Waiver Request: Shawn Mehlert – Approval of Order Granting Request for Waiver

Mr. Thompson introduced an Order Granting a Waiver Request for Shawn Mehlert, explaining that the Board approved the waiver request at the July 11, 2007, Board meeting, extending the rent subsidy for Mr. Mehlert for three months. Mr. Thompson said that the order being considered by the Board officially documents the Board's decision.

MOTION: On a motion by Mr. Lintz and a second by Mr. Erickson, the Board unanimously approved the Order Granting Request for Waiver of Administrative Code Rule 265—24.2(16).

Notice of Intended Action – Adoption of 265 IAC Chapter 15, Purchasing

Mr. Thompson introduced the Notice of Intended Action for the adoption of 265 IAC Chapter 15, Purchasing. He explained that the Iowa Legislature recently approved significant changes in Chapter 16 of the Iowa Code, which required that IFA adopt new purchasing rules. Mr. Thompson and Mr. Mills answered questions from the Board members.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Adams, the Board unanimously approved the Notice of Intended Action to adopt 265 IAC Chapter 15, Purchasing.

Final Action – 265 IAC Chapter 12, Low-Income Housing Tax Credits 2008 Qualified Allocation Plan (QAP)

Mr. Thompson introduced the resolution approving final adoption of IFA's Low-Income Housing Tax Credits 2008 QAP.

Ms. Pope said a replacement for page 13 had been sent to the Board, and she asked that the Board's consideration include the revised page 13.

Mr. Caudron suggested that in future years, Section 3 should include a requirement, rather than just a strong suggestion, that any new developer meet with IFA staff to learn the expectations IFA has for tax credit applications.

Ms. Pope stated the Board has had the opportunity to review all public comments, along with IFA's response to those comments, as well as the final QAP with all changes marked. Board and staff members discussed various points of the QAP.

MOTION: Mr. Adams made a motion to approve the final adoption of the amendments to chapter 12 of the Authority's administrative rules for the 2008 Low-Income Housing Tax Credits Program QAP, including the revisions included on the substituted page 13. On a second by Mr. Erickson, the Board unanimously approved the 2008 QAP.

Update of Low-Income Housing Tax Credit Appeals

Mr. Thompson reminded the Board that the five tax credit appeals from Community Housing Initiatives have all been resolved. He also reported that the appeal from Metro Lofts has been dismissed without prejudice, meaning the developer could file the appeal again at a later time.

FINANCE AND ACCOUNTING

Review of June and FY2007 Financial Results

Mr. Harvey presented the June and the FY2007 financial results. He summarized the details of IFA as a housing agency and of the SRF program, based on the information included in the Board packet.

Mr. Harvey stated that the results are preliminary because KPMG has not yet performed the audit. He also said there would be one change based on GASB 48, which will probably now require IFA to include certain conduit bond issues related to state programs on our financial statements rather than showing on the state's books.

Approval of June and FY2007 Financial Results

MOTION: On a motion by Mr. Walter and a second by Mr. Lintz, the Board unanimously approved the June and the FY2007 Financial Results.

Resolution Approving a Credit Facility for Multifamily Loans

Mr. Smith introduced the resolution approving a Credit Facility with Wells Fargo Bank for multifamily loans. He explained that the funds would provide construction loans to 9 percent tax

credit developments. Mr. Smith said the total principal amount would not exceed \$30 million and would be an unsecured, general obligation of IFA, with a three-year term consisting of fixed or variable rates. He said the goal is to have the funding available in time for transactions receiving tax credit awards in March 2008.

MOTION: Mr. Adams made a motion to approve the resolution allowing IFA to borrow money under the terms of a Credit Facility in an amount not to exceed \$30 million with a term of not more than three years, and authorizing the Executive Director and IFA staff to finalize the terms of the Credit Facility as described in the Board packet. On a second by Mr. Caudron, the Board unanimously approved the resolution authorizing a Credit Facility for multifamily loans.

ECONOMIC DEVELOPMENT LOAN PROGRAM

ED Loan #07-21, Iowa Laser Technology Project

Mr. Smith introduced an application and inducement resolution for \$7,200,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for Iowa Laser Technology project in Cedar Falls. He reported that the bonds will be used for the expansion of the existing facility specializing in laser cutting and welding. Mr. Smith said the project will require Private Activity Bond Cap.

RESOLUTION #07-21A

MOTION: Mr. Erickson made a motion to approve an application for \$7,200,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds (Iowa Laser Technology, Inc. Project), Series 2007, for Iowa Laser Technology, Inc. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$7,200,000 of Manufacturing Facility Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously approved Resolution #07-21A.

ED Loan #07-23, East Central Intergovernmental Association (ECIA) Project

Mr. Smith introduced an application and inducement resolution for \$1,400,000 of Iowa Finance Authority Multistate Transit Authority Revenue Bonds for the East Central Intergovernmental Association (ECIA) Project in Dubuque. He said the bonds will be used for the construction of a storage and maintenance facility for the Region 8 Regional Transit Authority and an office building for ECIA. Mr. Smith noted the project will not require Private Activity Bond Cap.

RESOLUTION #07-23A

MOTION: Mr. Walter made a motion to approve an application for \$1,400,000 of Iowa Finance Authority Multistate Transit Authority Revenue Bonds (East Central Intergovernmental Association Project), Series 2007, for East Central Intergovernmental Association (the “Borrower”), and evidencing the intent to proceed with the issuance of \$1,400,000 of Multistate Transit Authority Revenue Bonds. On a second by Mr. Caudron, the Board unanimously approved Resolution #07-23A.

ED Loan #07-24, The Folks of Mt. Pleasant, L.L.C. Project

Mr. Smith introduced an application and inducement resolution for \$545,000 of Iowa Finance Authority Senior Living Facility Revenue Bonds for The Folks of Mt. Pleasant, L.L.C. Project in Mt. Pleasant. He explained that the bonds will be used to acquire and renovate a senior housing project consisting of 25 units, in order to preserve the Section 8 project as affordable housing. Mr. Smith said the project will require Private Activity Bond Cap.

RESOLUTION #07-24A

MOTION: Ms. Bordwell made a motion to approve an application for \$545,000 of Iowa Finance Authority Senior Living Facility Revenue Bonds (The Folks of Mt. Pleasant, L.L.C. Project) for The Folks of Mt. Pleasant, L.L.C. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$545,000 of Senior Living Facility Revenue Bonds. On a second by Mr. Adams, the Board unanimously approved Resolution #07-24A.

ED Loan #07-25, Edgewater Project

Mr. Smith introduced an application and inducement resolution for \$85,000,000 of Iowa Finance Authority Senior Living Facility Revenue Bonds for the Edgewater Project in Dallas County. He stated the bonds will be used for the construction of a new senior living community consisting of 151 independent living units, 32 assisted living units, 16 memory assisted units and 40 skilled nursing units. Mr. Smith noted that the proposed project is a Wesley Active Life Community project and will not require Private Activity Bond Cap.

RESOLUTION #07-25A

MOTION: Mr. Caudron made a motion to approve an application for \$85,000,000 of Iowa Finance Authority Senior Living Facility Revenue Bonds (Edgewater, A Wesley Active Life Community, LLC Project), Series 2007, for Wesley Retirement Services, Inc. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$85,000,000 of Senior Living Facility Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously approved Resolution #07-25A.

ED Loan #07-26, Green Meadows Dairy Project

Mr. Smith introduced an application and inducement resolution for \$10,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Green Meadows Dairy Project in Hull, located in Sioux County. He said the bonds will be used to acquire and equip a facility to manufacture cheese. Mr. Smith noted the project will require Private Activity Bond Cap.

Ms. Anderson submitted a letter disclosing a conflict of interest because her employer may assist in financing this project. She stated she would abstain from discussing and voting on the project.

RESOLUTION #07-26A

MOTION: Mr. Erickson made a motion to approve an application for \$10,000,000 of Iowa Finance Authority manufacturing Facility Revenue Bonds (Green Meadows Dairy Project), Series 2007, for Green Meadows Dairy (the “Borrower”), and evidencing the intent to proceed with the issuance of \$10,000,000 Manufacturing Facility Revenue Bonds. On a second by Mr. Caudron, a vote was taken with the following results: YES - Adams, Bordwell, Caudron, Erickson, Kramer, Lintz and Walter; NO - None; ABSTAIN - Anderson, due to the conflict of interest previously noted (see attached letter). On a majority vote, the Board approved Resolution #07-26A.

ED Loan #07-22, MidWest Chlor-Alkali Project

Mr. Smith reported that the borrower has asked to have this project removed from the agenda, as they will be using a different method of funding.

ED Loan #07-19, Madrid Home for the Aging Project

Mr. Smith asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$13,000,000 of Iowa Finance Authority Health Care Facility Revenue Refunding Bonds for the Madrid Home for the Aging Project in Madrid located in Boone County. He stated the bonds will be used to refund bonds issued in 2002 and for capital projects, including a new phone system and building repairs. Mr. Smith said this project will not require Private Activity Bond Cap.

Public Hearing: Vice Chair Anderson opened a public hearing at 11:45 a.m. regarding the issuance of an amount not to exceed \$13,000,000 of Iowa Finance Authority Health Care Facility Revenue Refunding Bonds for the Madrid Home for the Aging Project in Madrid located in Boone County. Mr. Smith said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Vice Chair Anderson closed the public hearing at 11:46 a.m.

Mr. Smith then introduced an authorizing resolution for \$13,000,000 of Iowa Finance Authority Health Care Facility Revenue Refunding Bonds for the Madrid Home for the Aging Project in Madrid. He reported that the Board approved the inducement resolution on July 11, 2007.

RESOLUTION #07-19B

MOTION: Mr. Erickson made a motion to approve the resolution authorizing the issuance of not to exceed \$13,000,000 of Iowa Finance Authority Health Care Facility Revenue Refunding Bonds (Madrid Home for the Aging Project), Series 2007, for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project and refunding prior bonds; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a second by Ms. Bordwell, the Board unanimously approved Resolution #07-19B.

STATE REVOLVING FUND PROGRAM

Planning and Design Loan Resolution

Mr. Smith introduced a resolution to approve Planning and Design Loans for the cities of Stockton and Elgin, for a total \$210,600. He noted that with the adoption of this resolution, IFA will have approved Planning and Design Loans for 127 projects totaling \$33,695,394.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Walter, the Board unanimously approved the Planning and Design Loan Resolution.

HOUSING PROGRAMS

Single-Family Housing Programs

Resolution – Loan to Homeward, Inc.

Ms. Murphy introduced the resolution authorizing a line of credit to Homeward, Inc. for their Community-Based Construction Program as presented in the memo and attachment included in the Board packet. She said the \$2 million line of credit would be for 36 months at 3 percent interest to help fund a pilot program for rural home construction.

Ms. Murphy explained that the goal of Homeward, Inc. is to develop new subdivisions in rural communities and attract new home construction in an effort to recruit young families to the area. She said Homeward, Inc. would provide a construction loan of \$50,000 for 12 months at 4 percent interest in order to encourage contractors to build moderately priced homes for workforce housing.

MOTION: Mr. Erickson made a motion to approve the resolution authorizing a pilot project to which IFA would provide a line of credit not to exceed \$2 million for not more than 36 months at an interest rate of 3 percent to be used by Homeward, Inc. to fund the construction of affordable single-family homes in rural Iowa communities. On a second by Mr. Caudron, the Board unanimously approved the resolution.

LEGISLATIVE

Mr. Jones reported that he continues to meet with legislators around the state as he travels with IFA staff on site visits and training sessions with various staff members. His goal is to show the legislators what IFA is and what the agency does in each legislator's district.

Mr. Jones summarized the information included in the Board packet, and explained that H.R. 1852 (National Housing Act) is directly tied to H.R. 2895 (National Affordable Housing Trust Fund). He said both should move on to the House floor when the session starts again. Mr. Jones explained that H.R. 1852 authorizes the money that goes into H.R. 2895. He briefly summarized both bills and said he would be in contact with legislators while they are on recess.

COMMUNICATIONS

Ms. Lode reported that on Thursday, August 2, IFA sent out the monthly electronic IFA newsletter, which included registration information for the HousingIowa Conference. She noted that the next day IFA received some registration forms with payment, which seems to indicate a high level of interest for the conference scheduled for October 23-24, 2007.

Ms. Lode stated that the statewide housing study, written by Dr. Heather MacDonald, is now posted on IFA's Web site and will be sent to the printer to be completed within about a week.

Ms. Lode thanked Vice Chair Anderson for her help in organizing and planning the tour and Board meeting scheduled to be held in Le Mars on September 11-12, 2007.

Ms. Lode announced that IFA staff participated in a focus group for the SRF program, which will result in some changes that will show up soon on IFA's Web site. She also reported the TGD conference information will be available on IFA's Web site soon.

TITLE GUARANTY DIVISION (TGD)

Mr. Ogle reported that staff members have begun to make plans for the TGD annual conference scheduled for November 15, 2007. He also stated that following the approval of the Pottawattamie County waiver, several transactions have taken place and the program has been well received in that area.

Mr. Ogle noted that TGD has seen growth in the refinance area and is working to market the commercial services department that is in the planning stages. He said they are also exploring ideas for a foreclosure product.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Vice Chair Anderson opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no audience members wishing to address the Board, Vice Chair Anderson closed the public comment period.

Recess

Vice Chair Anderson recessed the meeting for a 10-minute break at 12:05 p.m.

Ms. Wallis announced that the next regular IFA Board meeting would convene at 8:30 a.m. on Wednesday, September 12, 2007, at the Le Mars Convention Center Board Room in Le Mars, Iowa.

Reconvene Meeting

Vice Chair Anderson reconvened the meeting at 12:15 p.m. and announced that the Board would go into a closed session to discuss imminent litigation regarding a title plant waiver.

Imminent Litigation re: Title Plant Waiver

Ms. Bordwell submitted a letter disclosing a conflict of interest (see attached letter) regarding the closed session because she is president of Iowa Land Title Association, the group which filed a Petition for Judicial Review regarding the Title Guaranty Board's approval of Charles Hendricks' request for waiver of title plant requirement. Ms. Bordwell stated that she would be leaving the meeting, but she said she wanted the closed-session discussion to be strictly about the case and not about her, Wally Murphy or Mitch Taylor.

Ms. Bordwell left the meeting at 12:20 p.m.

CLOSED SESSION

CLOSED SESSION

MOTION: Mr. Erickson made a motion to go into closed session, pursuant to Iowa Code section 21.5(c), in order to discuss strategy with counsel in matters that are presently in litigation, where disclosure by the Board would be likely to prejudice or disadvantage the position of the Authority in that litigation. On a second by Mr. Walter, a roll call vote was taken with the following results: **YES** - Adams, Anderson, Caudron, Erickson, Kramer, Lintz and Walter; **NO** - None. On a unanimous vote, the Board approved going into a closed session at 12:25 p.m.

OPEN SESSION RECONVENED

Vice Chair Anderson reconvened the open meeting of the Iowa Finance Authority Board of Directors at 12:36 p.m. at the Iowa Finance Authority office building located at 2015 Grand

Avenue in Des Moines. Roll call was taken and a quorum was established with the following Board members present: Adams, Anderson, Caudron, Erickson, Kramer, Lintz and Walter.

BOARD MEMBERS PRESENT

Vince Lintz, Chair (via telephone)
Kay Anderson, Vice Chair
Steven Adams (via telephone)
Roger Caudron
David Erickson
Heather Kramer (via telephone)
Douglas Walter

OTHERS PRESENT

Bret Mills, Executive Director
Loyd Ogle, Director of Title Guaranty
Division
James Smith, Deputy Director/CFO
Mark Thompson, General Counsel
Nancy Wallis, Administrative Assistant

Mr. Thompson announced there was no action taken during the closed session.

ADJOURNMENT

There being no further business, on a motion by Mr. Caudron and a second by Mr. Erickson, the August 8, 2007, meeting of the IFA Board of Directors adjourned at 12:37 p.m.

Dated this 12th day of September 2007.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Kay Anderson, Chair
Iowa Finance Authority